

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division

ATTACHMENT TO APPLICATION FOR REGISTRATION OF SECURITIES BY
QUALIFICATION

Information Required By the Securities Act for Prospectus
(Also refer to Rules and Regulations)

The prospectus shall be dated, and shall have set forth on the outside front cover page, in capital letters in type as large as that used generally in the body of the prospectus, the statement that "NEITHER THIS PROSPECTUS NOR THE SECURITIES DESCRIBED HEREIN HAVE BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII, NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS", and shall include the following, together with such other information as the Commissioner may prescribe:

- (1) The name and address of the issuer, the name of the jurisdiction under the laws of which it was organized, and the date of its organization.
- (2) A statement in tabular form of the following information on a per-share or other unit basis showing the offering price to the public, the underwriting discounts or commissions, and the proceeds to the issuer or other persons.
- (3) A statement of the amount of securities offered, the aggregate offering price to the public, the aggregate underwriting discounts or commissions, an estimate of the amount of expenses of the issuer and the amount of expenses of the underwriters to be borne by the issuer, and the aggregate proceeds to the issuer or securities holders for whose accounts the securities are offered.
- (4) If any of the securities are to be offered for the account of any person other than the issuer, the name and address of each such security holder, the total amount he owns, and the amount to be offered for his account.
- (5) If the securities are not to be offered for cash, a statement of the basis on which the offering is to be made.
- (6) A brief description of the method by which the securities are to be offered, and if the offering is to be made by or through underwriters, the name and address of each underwriter and the amount of the participation of each underwriter, with a statement of any material relationship between the issuer and such underwriter.

(over)

- (7) A reasonably itemized statement of the purposes for which the net cash proceeds to the issuer from the sale of the securities are to be used and the amount to be used for each such purpose, indicating in what order of priority the proceeds will be used for the respective purposes.
- (8) A description of any arrangements for the return of funds to subscribers if all of the securities to be offered are not sold, or if there are no such arrangements, a statement to that effect.
- (9) A brief description of the securities to be offered, including:
 - (a) In the case of shares, the par or stated value, if any; the rate of dividend, if fixed, and whether cumulative or non-cumulative; the preference, if any; and if convertible, the conversion rate;
 - (b) In the case of debt securities, the rate of interest; the date of maturity or, if the issue matures serially, a brief indication of the serial maturities; if the issue is redeemable before maturity, a brief statement of the redemption date or dates and price or prices; if payment of principal or interest is contingent, an indication of such contingency; a brief indication of the priority of the issue; and if convertible, the conversion rate;
 - (c) In the case of any other kind of security, appropriate information of a comparable character.
- (10) A brief description of the business or proposed business of the issuer, including:
 - (a) The nature of the issuer's present or proposed products or services, the principal market therefor, and the length of time the issuer has been in commercial production;
 - (b) The location and general character of the plants or other physical properties held or proposed to be acquired by the issuer and the nature of the title under which such properties are held or proposed to be held;
 - (c) If the issuer intends to exploit or develop any new invention or process, a statement of how such invention or process is to be applied commercially and whether or not it is covered by any patent, issued or pending, identifying by date and serial number any such patent or patent application.
- (11) The names and residence addresses of all directors and officers of the issuer and or any person or persons controlling the issuer and, if the issuer was organized within the last three years, the names and addresses of all promoters of the issuer.

- (12) A description of all direct and indirect interests, by security holdings or otherwise, of each director and officer of the issuer and, if the issuer was organized within the last three years, of each promoter of the issuer:
- (a) In the issuer or its affiliates;
 - (b) In any material transactions within the past two years, or in any material proposed transactions to which the issuer or any of its predecessors or affiliates was or is to be a party, stating the cost to such persons of any property or services for which payment by or for the account of the issuer has been or is to be made.
- (13) If the issuer was organized within the last three years, a statement of the percentage of outstanding securities of the issuer which will be held by directors, officers and promoters as a group, and the percentage thereof which will be held by the public if all of the securities to be offered are sold, and the respective amounts of cash (including cash expended for property transferred to the issuer) paid therefor by such group and by the public.
- (14) A brief description of all options or warrants presently outstanding or proposed to be granted to purchase securities of the issuer, including the names of the holders thereof, the cost thereof to such holders, the terms and conditions on which they may be exercised, and the price at which the securities may be acquired pursuant thereto.
- (15) A balance sheet of the issuer at the close of the issuer's last fiscal year preceding the date of filing of the prospectus, and a profit and loss statement and analysis of surplus for the fiscal year ended at the date of said balance sheet, all certified by a public accountant, together with a balance sheet of the issuer as of a date within ninety days prior to the date of filing of the prospectus, and a statement of profit and loss for the period from the close of the last preceding fiscal year to the date of said balance sheet, both verified by a duly authorized officer of the issuer or, if the issuer had been in existence for less than one year, a balance sheet of the issuer as of a date within ninety days prior to said date of filing and a statement of profit and loss for the period from the date of the issuer's organization to the date of said balance sheet, both certified by a public accountant.
- (16) No prospectus filed pursuant hereto shall set forth in any manner any estimate or projection of future income, earnings or profits of the issuer or any subsidiary, parent, or affiliate of the issuer, unless clearly identified as an estimate and unless the basis of estimation is clearly set forth.

(Note: If the securities for which application for registration is being made have been, or are to be registered under the Securities Act of 1933, there may be filed in lieu of the prospectus prescribed by paragraph H, subsections (1) to (16) of this section, the definitive prospectus of the issuer filed under the Securities Act of 1933, if the same shall be dated within 120 days of the application for registration under this section.)